

ETEXT ATTACHMENT

11/02/2006 11 : 42

This is in response to the RQ-2 dated October 3, 2006. The commission raised three issues, which we will address below.

The first issue raised concerned contributions received after the announcement of Congressman DeLay not to seek office/re-election. Thank you for the clarification on the date the commission recognizes as 4/4/06 as the official date. As you know, the campaign notified the commission on 8/23/06 that after months of legal battles, the Congressman submitted his letter to the Texas Secretary of State requesting his name be removed from the ballot. With that being said, the campaign is honoring the date of 4/4/06 as the official date and has refunded all contributions received after that date. The campaign has mailed copies of the refund checks to the commission for their review. Refunds will appear on the campaign's year-end report as they were made on October 11, 2006.

The second issue raised is the incorrect Column B figures for lines 6 (b), 6 (c), 7 (a), 7 (c), 17, 19, 19(a), 19(c), 20 (a), 20 (d) and 22 of the Summary and Detailed Summary Page Information. The issue pertains to a \$563.88 disbursement for an interest payment. The campaign committee recorded the disbursement correctly as an operating expenditure on the amended April 15, 2005 report that was filed on 5/3/05.

The third issue pertains to the disclosure of \$28,000 from Bill Heard Chevrolet in Offsets to Operating Expenditures. The campaign mistakenly reported this as an offset and has amended its report to correctly disclose the transaction as Other. The campaign has also provided memo entry's to clarify all transactions taken place with the vehicle since its purchase. The \$28,000 was for the purchase of the campaign vehicle by the dealership. The campaign purchased the vehicle in July of 2005 from Bill Heard Chevrolet and made monthly payments to the finance company (US Bank Loan) as reported on our reports as auto expense. The campaign paid off the loan to US Bank Loan on 4/25/2006.

Regarding the amended July quarterly report, the campaign also made corrections to other transactions that were incorrectly reported as offsets and should have been reported as OTHER. These items include furniture and office supplies that have been purchased by individuals.

If you have additional questions, please feel free to give the campaign a call at 281-733-0505.

Dana Benoit